



Marketing Public Relations

A Marketer's Approach to
Public Relations and Social Media

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Chapter 13

Crisis Management



Chapter Objectives

1. Define crisis in a marketer's terms.
2. Explain how new media contribute to escalating and defusing a crisis.
3. List and describe the elements of a crisis plan.
4. List and explain the rules of crisis management.
5. Describe post-crisis marketing and learning opportunities.

Crisis Management Issues

- Can include
 - Harm to a person
 - Skewed company perceptions
 - The behavior and practices of folks in the firm



The role of new media in a crisis

- New portable Web-enabled technology allows consumers to share a story with the world, regardless of whether it is good news or bad.



Dominos and YouTube



- Two Dominos employees put a video of themselves on youtube.com doing disgusting things with pizza and other ingredients.
- Patrick Doyle, Dominos President had to issue his own statement on youtube.com denouncing the employees' actions and reassuring customers that its pizza was clean and safe to eat.
- The act of two employees tarnished a 50-year old brand overnight.

Crisis Communications Plan

- A crisis plan should be so simple that anyone who can read can understand it. Since crises rarely appear exactly as anticipated, a plan should not be centered on the perfect scenario in which only a trained communicator is in charge of the execution.



4 Steps to Create a Successful MPR Crisis Communications Plan*

1. Vulnerability Audit

- *An exercise for identifying and documenting potential MPR crises for planning purposes*

2. Creating the heart of the plan

3. Scenario Statements

4. Testing

Vulnerability Audit

Vulnerability Title

Vulnerability Description

Likelihood of Occurrence

Potential Impact of Firm

Scenario Statement

- The portion of an MPR crisis plan that maps out the “who, what, when, where, why, and how” of specific potential crises



Rules for Implementing Crisis Management Plan

- Move swiftly
- Keep all stakeholders informed
- Be truthful
- Be an information source
- Be decisive
- Apologize and move on
- Keep the media up to date
- Use video

Post-crisis opportunities and evaluation

- After a crisis has passed, marketers must take the time to look back upon the cause of the crisis, the actions taken, and the results of those actions. Each crisis is a learning experience from which you can gain valuable insight on preventing, planning for, and dealing with future crises.



Concept Case 13.1: Falcon's Lair

Crisis Plan

1. Explain how an MPR professional could help the management of The Falcon's Lair identify potential crises.
2. List five to ten situations that might cause an MPR crisis at The Falcon's Lair. Discuss the likelihood of their occurring and the impact they would have on the business should they come to pass.
3. Discuss a strategy for the crisis scenario that you deem most likely to happen.



Concept Case 13.2: Falcon's Lair

It happened

1. Discuss what can be done from an MPR standpoint in the future to further minimize the likelihood of such an incident recurring.
2. Explain how you might use the handling of this crisis to help strengthen the image of The Falcon's Lair with its customers and the public.



Reflection Questions

1. Compare and contrast the different approaches that firms typically use during an MPR crisis.
2. How has new media contributed to the acceleration of the spread of news of crises? Give some examples. In what ways can new media be a tool for firms to contain the damage caused by a crisis situation?
4. Describe the creation and utility of a vulnerability audit.
5. Why is testing a crisis plan so vital to a firm's response to a crisis?
6. What are the key elements of crisis plan implementation?
7. Discuss the impact that using video on modern crisis communications has on a firm.
8. Describe how a firm can use the handling of a crisis to improve its image or positioning.



Practice Portfolio

- Conduct a vulnerability audit for your practice company using the information that you have available to you. List the media that you would contact and the media and blogs with coverage you intend to follow for the duration of a crisis. Explain your protocol for keeping your employees, stockholders, and vendors informed about the crisis, as well as any non-MPR vehicles that you might consider using to communicate with all stakeholders, including customers. List the top five crises that are likely to strike your firm in the next five years and rank them by likelihood of occurrence and impact on the company.